

TRIPOLI 00000686 R UN 02-SEP-08 LIBYA FURTHER PRIVATIZES FUEL DISTRIBUTION [7982233]From: CBPC, EACTAPP [EACTAPP@state.sgov.gov]
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SUBJECT: LIBYA FURTHER PRIVATIZES FUEL DISTRIBUTION

1. (SBU) The Chairman of the Libya's National Oil Corporation (NOC), Shukri Ghanem, launched the country's third privately-owned fuel distribution company, al-Rahila, in a low profile ceremony at a newly refurbished filling station last week. The al-Rahila Company is one of three companies established to participate in the privatization of fuel distribution in Libya; the other two are al-Sharara and the Libyan Company for Distribution of Petroleum Products. Ghanem told local press the aim was to accelerate privatization and to improve the quality of service by introducing competition.

2. (SBU) The chairman of al-Rahila, Mohamed bin Hussain, told the press his company and two other firms emerged as a result of the restructuring of Braiga Oil Marketing Company. Capitalized with 50 million Libyan dinars, al-Rahila currently owns 106 gas stations and is planning to build eight modern stations in various parts of the country. According to Ghanem, NOC will continue to have a role in fuel distribution in Libya through the state-owned Braiga Company.

3. (SBU) Comment: The launching of Libya's third privately-owned fuel distribution company marks another step in Libya's efforts to further privatize key sectors of its economy. The GOL hopes that this process will contribute to more reliable fuel supplies and help mitigate any shortages (earlier this year Tripoli residents faced gas shortages due to delayed shipments of refined gasoline). End comment.

STEVENS